

SEPARATION AGREEMENT
AND RELEASE

THIS AGREEMENT is entered into as of the _____ day of May, 2007, between THE CITY OF LEESBURG, FLORIDA, hereafter referred to as "City," and RONALD W. STOCK, hereafter referred to as "Employee,"

WITNESSETH:

That Employee has been serving as City Manager of City under a written employment agreement dated July 8, 2002, as subsequently amended. Employee and City have entered into this Agreement for the purposes of setting forth the terms and conditions under which Employee will separate from employment with the City, and resolving any and all potential disputes concerning the meaning and application of the employment agreement.

NOW THEREFORE, for and in consideration of the mutual covenants and promises contained in this Agreement, the resignation by way of retirement of Employee, the benefits to be paid to Employee by City hereunder, and other good and valuable considerations, in hand paid and given by each party to the other, the receipt and sufficiency of which are hereby acknowledged, Employee and City agree as set forth below:

1. Employee hereby resigns by way of retirement, as City Manager of the City, effective as of May 31, 2007 (the "Effective Date of Resignation") in order to retire. Until the Effective Date of Resignation, Employee shall remain on leave with pay but shall be entitled to full pay and benefits under his contract, including pension contributions, use of a City vehicle (with fuel provided or paid for by City), cellular phone, and attendance at the ICMA conference to be held in Miami, Florida during May, 2007.

2. City will pay to or on behalf of Employee the following as a severance package, commencing as of June 1, 2007. Amounts shown as "Items In Contract" represent amounts due Employee under the severance provisions of his contract with the City. Amounts shown as "Items Not In Contract" are those amounts City has agreed to pay Employee in addition to his contractual severance package.

Base Salary for Six Months	\$64,740.00
Accrued Benefits	\$22,257.49
Employer share FICA/Medicare Withholding	\$4,279.31
COBRA Health Insurance Premiums	\$5,433.96
12% Pension Contribution	\$7,768.80
Legal Fees	\$7,500.00
TOTALS FOR ENTIRE PACKAGE:	\$111,979.56

3. The Base Salary and 12% Pension Contribution shall be paid to Employee in 12 bi-weekly installments six monthly installments payable at the same schedule as other City employees commencing on

the first regular City payday on or after June 1, 2007, and continuing on the regular City paydays of each consecutive month thereafter for six months.

4. The Accrued Benefits shall be paid to Employee in a lump sum on June 1, 2007.

5. The Health Insurance benefits reflect an estimated amount based on coverage at the current cost for a full six month period. Notwithstanding the specific amount shown, the Health Insurance benefits shall be provided at no cost to Employee for the lesser of six months beginning June 1, 2007, or until Employee obtains health insurance coverage from another employer. If Employee obtains replacement health insurance prior to the end of six months after June 1, 2007, City shall not be obligated to pay any remaining amount to Employee and the savings realized shall inure to the benefit of the City. For purposes of health coverage the COBRA period shall be deemed to commence as of May 30, 2007.

6. There shall be no deductions from the amounts payable to Employee by City, other than FICA and Medicare, except that City may deduct any amounts received by Employee in unemployment compensation benefits during the six month severance period beginning June 1, 2007. Employer will pay its matching share of FICA and Medicare as required by law. Those contributions by Employer are also reflected in the foregoing table.

7. Employee agrees, as a material inducement to City to enter into this Agreement, that Employee will not disparage the City, its Commissioners, department heads, officers, employees, agents and attorneys, or speak ill of any of them, as to any event or occurrence taking place prior to or on the date this Agreement receives final approval by the Leesburg City Commission.

City agrees, as a material inducement to Employee to enter into this Agreement, that no City Commissioner, City Clerk or Deputy Clerk, Finance Director, current Acting/Deputy City Manager and Assistant to the City Manager, or City Attorney, shall henceforth disparage Employee or speak ill of Employee as to any event or occurrence taking place prior to or on the date this Agreement receives final approval by the Leesburg City Commission. Furthermore, if contacted by a potential or subsequent employer of Employee, none of those listed above and no City representative within its Human Resources Department shall provide a negative reference to such employer or potential employer; if a positive reference is not given, comments shall be limited to a statement that the person from whom a reference is solicited considers Employee to be employable for the post of city manager or a comparable position with the other employer.

8. The legal fees set forth in the foregoing table are the actual fees Employee has incurred with Thomas J. Pilacek, Esquire, with regard to the negotiation of this Agreement.

9. In consideration of the obligations of City hereunder, Employee acknowledges that, as a condition precedent to receiving any severance payments or benefits from City otherwise payable hereunder, he does hereby unconditionally release City, its Commissioners, department heads, officers, employees, agents and attorneys, from any and all claims, liabilities and obligations of any nature pertaining to the Employee's separation from employment with the City, or arising out of Employee's tenure as City Manager of the City, whether known or unknown, vested or contingent, including but not limited to (a) any claims under federal, state or local laws prohibiting discrimination, including without limitation the Age Discrimination in Employment Act of 1967, as amended, or (b) any claims growing out of any alleged legal restrictions on City's rights with regard to Employee's employment as City Manager, such as any alleged implied contract of employment or any action taken contrary to public policy. This release is intended to be comprehensive and to apply to any and all claims of Employee against City, whether or not listed specifically

herein, excepting only that Employee does not waive the right or ability to enforce his rights under this Agreement, and further excepting that the indemnity provisions in Section Three, Paragraph 3 of the employment agreement shall survive the execution of this Agreement as already provided in that section of the employment agreement.

10. In consideration of the resignation by retirement of Employee hereunder, City does hereby unconditionally release Employee from any and all claims, liabilities and obligations of any nature pertaining to Employee's tenure as City Manager of City, or Employee's separation from employment with the City, whether known or unknown, vested or contingent, except as otherwise specifically reserved to City within the four corners of this Agreement. This release is intended to be comprehensive and to apply to any and all claims of City against Employee, whether or not listed specifically herein, excepting only that City does not waive the right or ability to enforce its rights under this Agreement.

11. This Agreement sets forth the entire understanding of the parties with regard to its subject matter. It supersedes and takes precedence over any and all prior negotiations, representations and agreements, oral or written, all of which are deemed to have merged into this Agreement and to have been extinguished except to the extent specifically set forth herein. This Agreement may not be amended orally, by implication, by course of conduct, or in any other manner whatsoever than by way of a written instrument signed by both parties hereto or their lawful successors. This Agreement shall be construed in accordance with the laws of Florida and venue for any action or proceeding arising out of this Agreement shall be in Lake County, Florida. This Agreement shall be binding on the parties hereto, as well as on their lawful successors and assigns. Each party represents for the benefit of the other that it has not entered into this Agreement in reliance on, or on the basis of, any promise, negotiation, representation, undertaking or agreement of the other party, oral or written, which is not specifically set forth within this Agreement.

12. Failure by either party to insist on strict performance of this Agreement shall not act as a waiver of the right to enforce this Agreement as to any subsequent or continuing default.

13. This Agreement shall be construed evenly without regard to which party drafted it. Both parties acknowledge that they have been represented by competent counsel of their choosing in the negotiation and drafting of this Agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement.

THE CITY OF LEESBURG, FLORIDA

BY: _____
Mayor

Attest: _____
City Clerk

DATE: _____, 2007

Approved as to form and content:

City Attorney

WITNESSES:

(type or print name of witness)

(type or print name of witness)

EMPLOYEE:

RONALD W. STOCK

DATE: _____, 2007